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Obey: Congress Will Wait Out President On HHS Budget

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By Elaine S. Povich

House Appropriations Chairman Obey warned the Bush administration today that if officials fail to negotiate over the FY09 budget, Congress will simply wait for a new president to do any serious budget bargaining. "This can be a wasted eight months or we can get something done," Obey told HHS Secretary Leavitt at a hearing of House Labor-HHS Appropriations Subcommittee. Obey later noted that "last year the president refused to compromise -- his way or no way -- and the year was wasted. This year we can wait until we have another president." Obey said he would rather bargain with Bush and his administration but added, "If they refuse to sit down with us, then the president has taken himself out of the game and we'll wait for an adult." Leavitt said in his testimony that he and his administration "look forward to working with Congress, states and all our other partners to carry out the initiatives President Bush is proposing." In his answers to many questions, Leavitt stuck to his position that he was at the hearing to defend the president's blueprint, not negotiate it.

In the HHS budget, officials proposed a 0.4 percent automatic pay cut to Medicare health providers every year that the total federal outlays in the program exceed 45 percent of general revenue. Medicare spending has exceeded that threshold in the past two years, according to program trustees. Reductions in health-provider payment rates and regulatory changes under Medicare are expected to raise \$183 billion over five years, with \$64 billion coming from cuts to hospitals. HHS proposed to eliminate the tax-free status of employer-sponsored health insurance, allow employers and community groups to band together across state lines in association health plans, and ease medical liability law. During the hearing, when Rep. Michael Simpson, R-Idaho, asked Leavitt to provide the amount that asked for in submitting his initial budget to the Office of Management and Budget for review, but Leavitt refused. Simpson said it would be helpful to know what HHS asked for, so it could be compared to what OMB actually asked for.

Obey noted that many of the cuts contained in the president's budget were unlikely to be enacted. "Do they really think we are going to eliminate vocational education?" Obey asked rhetorically. Congress restored \$1.3 billion for vocational education Bush cut in last year's budget. It's on the chopping block again. Last year, Democrats also complained that Bush was unwilling to negotiate on the appropriations bills. The congressional budget resolution set fiscal 2008 discretionary spending at \$956 billion -- \$23 billion more than Bush requested -- and the White House threatened to veto appropriations bills if they pushed spending higher than \$933 billion. In November, after Bush vetoed the Labor-HHS measure, Democrats offered to split the difference with him by trimming \$11 billion from their appropriations bills. Bush wouldn't budge, and as the Christmas recess neared and Democratic leaders lacked the votes to override his vetoes, they moved a massive spending package that largely adhered to his spending limits.